

AMENDED IN ASSEMBLY MARCH 21, 2001

AMENDED IN ASSEMBLY FEBRUARY 26, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

## ASSEMBLY BILL

**No. 44**

**Introduced by Assembly Member Cohn**

February 9, 2001

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An act to amend Section 25555 of the Public Resources Code, relating to energy resources, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 44, as amended, Cohn. State Energy Resources Conservation and Development Commission: appropriation.

Existing law requires the State Energy Resources Conservation and Development Commission to implement the peak electricity demand reduction program.

This bill would include installation of demand responsive technologies and energy-efficient retrofits, *as defined*, as part of that program.

This bill would appropriate \$25,000,000 from the General Fund to the commission for the purpose of augmenting the funding for the peak electricity demand reduction program.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. (a) The Legislature finds and declares both of the following:

(1) California is currently experiencing an energy crisis that threatens to adversely affect the economic and environmental well-being of the state.

(2) One of the most cost-effective, efficient, and environmentally beneficial methods of meeting the state's energy needs is to encourage the efficient use of energy.

(b) It is the intent of the Legislature to ensure the immediate implementation of energy efficiency programs in order to reduce consumption of energy and to assist in reducing the costs associated with energy demand.

SEC. 2. Section 25555 of the Public Resources Code is amended to read:

25555. (a) In consultation with the Public Utilities Commission, the commission shall implement the peak electricity demand reduction grant programs listed in paragraphs (1), (2), and (3). The commission's implementation of these programs shall be consistent with guidelines established pursuant to subdivision (b). The award of a grant pursuant to this section is subject to appeal to the commission upon a showing that factors other than those adopted by the commission were applied in making the award. Any action taken by an applicant to apply for, or to become or remain eligible to receive, a grant award, including satisfying conditions specified by the commission, does not constitute the rendering of goods, services, or a direct benefit to the commission. Awards made pursuant to this section are not subject to any repayment requirements of Chapter 7.4 (commencing with Section 25645). The peak electricity demand programs the commission shall implement pursuant to this section shall include, but not be limited to, the following:

(1) For San Francisco Bay Area and San Diego region electricity customers, the peak electricity demand program shall include both of the following:

(A) Incentives for price responsive heating, ventilation, air conditioning, and lighting systems.

(B) Incentives for cool communities.

1 (C) Incentives for installation of demand responsive  
2 technologies and energy-efficient retrofits.

3 (2) For statewide electricity customers, the peak electricity  
4 demand program shall include all of the following:

5 (A) Incentives for price responsive heating, ventilation, air  
6 conditioning, and lighting systems.

7 (B) Incentives for cool communities.

8 (C) Incentives for energy efficiency improvements for public  
9 universities and other state facilities.

10 (D) Funding for state building peak reduction measures.

11 (E) Incentives for light-emitting diode traffic signals.

12 (F) Incentives for water and wastewater treatment pump and  
13 related equipment retrofits.

14 (G) Incentives for installation of demand responsive  
15 technologies and energy-efficient retrofits.

16 (3) Renewable energy development, except hydroelectric  
17 development, for both onsite distributed energy development and  
18 for commercial scale projects through which awards may be made  
19 by the commission to reduce the cost of financing those projects.

20 (b) In consultation with the Public Utilities Commission, the  
21 commission shall establish guidelines for the administration of  
22 this section. The guidelines shall enable the commission to allocate  
23 funds between the programs as it determines necessary to lower  
24 electricity system peak demand. The guidelines adopted pursuant  
25 to this subdivision are not regulations subject to the requirements  
26 of Chapter 3.5 (commencing with Section 11340) of Part 1 of  
27 Division 3 of Title 2 of the Government Code.

28 (c) The commission may choose from among one or more  
29 business entities capable of supplying or providing goods or  
30 services that meet a specified need of the commission in carrying  
31 out the responsibilities for programs included in this section. The  
32 commission may select an entity on a sole source basis if the cost  
33 to the state will be reasonable and the commission determines that  
34 it is in the state's best interest.

35 (d) The commission shall contract with one or more business  
36 entities for evaluation of the effectiveness of the programs  
37 implemented pursuant to subdivision (a). The contracting  
38 provisions specified in subdivision (c) shall apply to these  
39 contracts.

(e) For purposes of this section, the following definitions shall apply:

(1) “Low-rise buildings” means one and two story buildings.

(2) “Price responsive heating, ventilation, air conditioning, and lighting systems” means a program that provides incentives for the installation of equipment that will automatically lower the electricity consumption of these systems when the price of electricity reaches specific thresholds.

(3) “Light-emitting diode traffic signals” means a program to provide incentives to encourage the replacement of incandescent traffic signal lamps with light-emitting diodes.

(4) “Cool communities” means a program to reduce “heat island” effects in urban areas and thereby conserve energy and reduce peak demand.

(5) “Water and wastewater treatment pump retrofit” means a program to provide incentives to encourage the retrofit and replacement of water and wastewater treatment pumps and equipment and installation of energy control systems in order to reduce their electricity consumption during periods of peak electricity system demand.

(6) “Demand responsive ~~technologies and energy-efficient retrofits~~” means technologies includes, but are not limited to, all of the following:

(A) *Websites for energy consumers to receive notification and alarming services.*

(B) *Communication infrastructure.*

(C) *Management databases.*

(D) *Links to external data sources.*

(E) *Online energy information tools.*

(7) “Energy-efficient retrofit” means an energy conservation measure, as defined in subdivision (f) of Section 25411, or an energy conservation project, as defined in subdivision (g) of Section 25411.

(f) The commission may expend no more than 3 percent of the amount appropriated to implement this section, for purposes of administering this section.

(g) This section shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2004, deletes or extends that date.

1 SEC. 3. The sum of twenty-five million dollars (\$25,000,000)  
2 is hereby appropriated from the General Fund to the State Energy  
3 Resources Conservation and Development Commission for the  
4 purpose of augmenting the funding for programs implemented  
5 pursuant to Section 25555 of the Public Resources Code, including  
6 the installation of demand responsive technologies and  
7 energy-efficient retrofits as specified in subparagraph (C) of  
8 paragraph (1) of, and subparagraph (G) of paragraph (2) of,  
9 subdivision (a) of Section 25555 of the Public Resources Code.

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